

GOVERNOR CARNAHAN: Thank you, Mr. Weidenbaum and Wayne Angell. And I do thank you for the opportunity to be here to talk about agricultural trade. That is a very vital subject in this great state.

For me, the importance of a free agricultural trade hits home every time I travel Missouri's highways. You see the spring rows of corn and soybeans, and they're certainly proof of the importance of agriculture in Missouri.

But there's another point to be made when we look at those fields. Knowing that one out of every three of those rows of crops will be exported, you begin to know the value of free and open trade and the significance it holds to Missouri farmers.

Agricultural trade is one of the few bright spots in an otherwise depressed Missouri farm economy.

To help ease the state's farm crisis, we've initiated some innovative and aggressive programs to help producers to add value to raw commodities and create new generation of cooperatives.

These measures will ultimately help producers further tap into the international trade

arena as we continue to see foreign demand for processed and convenience foods increase.

Forty-two percent of Missouri's agricultural exports are already deemed to be value added, and Missouri's processed foods exports have increased 93 percent since 1996.

With free and open trade, the level of Missouri's agricultural exports will continue to increase as the world population increases.

The Census Bureau tells us that, every 35 minutes, about 5,000 new consumers are added to the world population. By 2050, more than 9 billion people will be coming to the global table.

In Missouri, we have the resources to feed not only ourselves, but also our international neighbors.

Because of our efficiency and rising global incomes, we are able to supply world markets twice as well as we could do so ten years ago. In fact, a quarter of Missouri's exports are agricultural in nature.

Free and open trade is indeed welcome news for a state that produces more than it consumes. We

send pork to Taiwan, popcorn to Sri Lanka, drink mixes to Turkey, and snack foods to Saudi, Arabia. But what does that mean to the average citizen? The answer is simple but critical. The answer is jobs.

The U.S. Department of Agriculture estimates that 17 jobs are created for every \$1 million in agricultural goods exported.

Missouri's agricultural exports are valued at \$1.38 billion, which translates into more than 23,000 jobs for Missourians.

Furthermore, the USDA's Foreign Agricultural Service estimates that 63 percent of the jobs created from agricultural exports are off the farm, while 37 percent are on farm jobs.

And most of those off-farm jobs, such as those in processing, transportation, sales, and banking, are located in urban areas.

So agricultural export growth is indeed good news for our state's economy.

One area of that growth we've been particularly pleased about is the increase of Missouri products going to our nation's northern and southern neighbors.

Our exports of consumer foods to Mexico have nearly doubled since 1993, when I took office, while Canada has increased imports of Missouri food products by 32 percent.

In 1998, Missouri soybean, rice, and cotton farmers had record sales to Mexico, as did Missouri processors, who shipped meats, poultry, snacks, and pet foods there.

We had the foresight and the good fortune to open a trade office in Guadalajara in 1993 to take full advantage of the trade opportunities in Latin America.

I'm pleased to report that the Missouri Department of Agriculture's international marketing staff has done a superb job of helping Missouri products find markets in Mexico.

However, despite Missouri's agricultural trade progress, many differences remain to be ironed out.

We are mindful that all trade must respect working people and the environments of all countries involved, whether it's U.S. farmers or Taiwanese garment workers.

Trade rules cannot be arbitrary, nor can they be exclusively beneficial to us. And agricultural trade should be based on sound science.

No discussion of agricultural trade would be complete without mentioning biotechnology.

It's difficult to single out any other one factor that has had or will have quite the impact as biotechnology on our agricultural production, research, exports, and regulations. And Missouri is no exception.

Our state is already a leader in biotechnology research and development. Yet today's new biotech practices are emerging at a time when people are more concerned than ever with the safety of their food.

These practices are developing at a time when people everywhere are confronted by a barrage of messages about what they eat and drink, messages that are sometimes confusing and conflicting.

But in spite of these confusing and conflicting messages, we shouldn't forget that biotechnology has been useful to mankind for thousands of years.

Take, for example, the practice of modifying yeast culture to make such staples as bread, cheese, and wine.

So we face a daunting challenge, educating the world on how the marriage of science and agriculture can benefit us all. And despite public perception that combination is not new, and indeed, it is what enables us to feed and clothe a growing population without ravaging our land and its people.

Biotech practices could ultimately enable us to get more yields from less land, higher output using fewer environmental resources, and food products that are safer, more convenient, and longer lasting.

That does not mean that we can dismiss public concerns with a wave of the hand. They must be considered carefully and factored into any discussion worthy of merit.

And all biotech practices must be tested thoroughly before being put into play. We owe that to everyone, and Missouri is doing its part.

Missouri will soon be the home to a \$146 million plant science research center, a facility that

is expected to position the Show-Me State as the Silicon Valley of plant biotechnology.

The not-for-profit plant science center will combine the resources of five of the nation's top plant science organizations: the Missouri Botanical Garden, the University of Missouri at Columbia's School of Agriculture, the Monsanto Company, the University of Illinois, and Washington University.

The focus of the plant science center will be to produce new varieties of crops that are pest and disease resistant and contain a higher nutritional content.

Additional areas of study might include pharmaceutical production and new applications for organically produced foods.

We're excited to be a part of this pioneering effort in global food and fiber production.

When talk turns to trade among ordinary people, some will say that they think it doesn't affect their lives here in Missouri, but of course, that's not so. The fact remains that we depend on trade, and we depend upon exports to be profitable. If we lose

market share for our agricultural products, our farmers pay the price.

I've had the privilege of taking several trade missions to Mexico, South America, Southeast Asia, and Greece during my tenure as Governor.

These trips were instrumental in raising Missouri's profile as a trading partner and have helped us establish critical trade relationships in a number of countries.

It's my intent to continue to forge these kinds of trade tie worldwide.

In short, we must have free and open trade. Missourians, as well as all Americans, deserve no less.

Thank you for allowing me to be here to make this statement to you. And good luck in your very important work to help us solve the most intransigent deficit problems we have as a nation. Thank you.

MR. ANGELL: Governor Carnahan, thank you very much. We appreciate your taking time to be with us.

GOVERNOR CARNAHAN: All right. Thank you.



MR. ANGELL: Mr. Kruse, it's a delight to have you back. We'll hear now from Panel Number 1's concluding member.

Mr. Kruse and the Missouri Farm Bureau represent 90,000 Missouri farm families.

My experience in the State legislature in Kansas was that the Kansas Farm Bureau was really a very noted group in regard to legislative activity in Kansas, and I'm quite certain that the Missouri Farm Bureau plays an equally strong role there.

But we also appreciate the national role of the Farm Bureau, and we welcome you to this platform.